

SECOND REGULAR SESSION

HOUSE BILL NO. 1718

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE PHILLIPS.

5217H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 140.405, RSMo, and to enact in lieu thereof one new section relating to title search fees.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 140.405, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 140.405, to read as follows:

140.405. 1. Any person purchasing property at a delinquent land tax auction shall not acquire the deed to the real estate, as provided for in section 140.250 or 140.420, until the person meets the requirements of this section, except that such requirements shall not apply to post-third-year sales, which shall be conducted under subsection 4 of section 140.250. The purchaser shall obtain a title search report from a licensed attorney or licensed title company detailing the ownership and encumbrances on the property. Such title search report shall be declared invalid if the effective date is more than one hundred twenty days from the date the purchaser applies for a collector's deed under section 140.250 or 140.420. **Any fee, charge, or similar financial requirement related to a title search for a tax certificate sale shall not exceed the average title search fee for the county as determined by the county collector unless the collector approves a higher amount.**

2. At least ninety days prior to the date when a purchaser is authorized to acquire the deed, the purchaser shall notify the owner of record and any person who holds a publicly recorded unreleased deed of trust, mortgage, lease, lien, judgment, or any other publicly recorded claim upon that real estate of such person's right to redeem the property. Notice shall be sent by both first class mail and certified mail return receipt requested to such person's last known available address. If the certified mail return receipt is returned signed, the first class mail notice

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 is not returned, the first class mail notice is refused where noted by the United States Postal
19 Service, or any combination thereof, notice shall be presumed received by the recipient. At the
20 conclusion of the applicable redemption period, the purchaser shall make an affidavit in
21 accordance with subsection [4] 5 of this section.

22 3. If the owner of record or the holder of any other publicly recorded claim on the
23 property intends to transfer ownership or execute any additional liens or encumbrances on the
24 property, such owner shall first redeem such property under section 140.340. The failure to
25 comply with redeeming the property first before executing any of such actions or agreements on
26 the property shall require the owner of record or any other publicly recorded claim on the
27 property to reimburse the purchaser for the total bid as recorded on the certificate of purchase
28 and all the costs of the sale required in sections 140.150 to 140.405.

29 4. In the case that both the certified notice return receipt card is returned unsigned and
30 the first class mail is returned for any reason except refusal, where the notice is returned
31 undeliverable, then the purchaser shall attempt additional notice and certify in the purchaser's
32 affidavit to the collector that such additional notice was attempted and by what means.

33 5. The purchaser shall notify the county collector by affidavit of the date that every
34 required notice was sent to the owner of record and, if applicable, any other publicly recorded
35 claim on the property. To the affidavit, the purchaser shall attach a copy of a valid title search
36 report as described in subsection 1 of this section as well as completed copies of the following
37 for each recipient:

- 38 (1) Notices of right to redeem sent by first class mail;
- 39 (2) Notices of right to redeem sent by certified mail;
- 40 (3) Addressed envelopes for all notices, as they appeared immediately before mailing;
- 41 (4) Certified mail receipt as it appeared upon its return; and
- 42 (5) Any returned regular mailed envelopes.

43 As provided in this section, at such time the purchaser notifies the collector by affidavit that all
44 the ninety days' notice requirements of this section have been met, the purchaser is authorized
45 to acquire the deed, provided that a collector's deed shall not be acquired before the expiration
46 date of the redemption period as provided in section 140.340.

47 6. If any real estate is purchased at a third-offering tax auction and has a publicly
48 recorded unreleased deed of trust, mortgage, lease, lien, judgment, or any other publicly recorded
49 claim upon the real estate under this section, the purchaser of said property shall within forty-five
50 days after the purchase at the sale notify such person of the person's right to redeem the property
51 within ninety days from the postmark date on the notice. Notice shall be sent by both first class
52 mail and certified mail return receipt requested to such person's last known available address.
53 The purchaser shall notify the county collector by affidavit of the date the required notice was

54 sent to the owner of record and, if applicable, the holder of any other publicly recorded claim on
55 the property, that such person shall have ninety days to redeem said property or be forever barred
56 from redeeming said property.

57 7. If the county collector chooses to have the title search done then the county collector
58 may charge the purchaser the cost of the title search before giving the purchaser a deed pursuant
59 to section 140.420.

60 8. If the property is redeemed, the person redeeming the property shall pay the costs
61 incurred by the purchaser in providing notice under this section. Recoverable costs on any
62 property sold at a tax sale shall include the title search, postage, and costs for the recording of
63 any certificate of purchase issued and for recording the release of such certificate of purchase and
64 all the costs of the sale required in sections 140.150 to 140.405.

65 9. Failure of the purchaser to comply with this section shall result in such purchaser's
66 loss of all interest in the real estate.

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